

HOUSE BILL No. 1966

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-12-9; IC 6-1.1-12-10.1.

Synopsis: Over age 65 property tax deduction. Eliminates the following: (1) The adjusted gross income limitation for an individual claiming the property tax deduction for persons age 65 and older. (2) The assessed value limitation for the real property or mobile home for which the deduction is claimed. Allows a person who becomes eligible for the deduction after the elimination of the adjusted gross income and assessed value limitations to claim the deduction beginning with property taxes assessed in 2000. Reconciles conflicts between statutes enacted by the 1999 general assembly (shown in italicized type).

Effective: March 1, 2001 (retroactive).

Herrell, Kruse, Adams T, Stevenson

January 17, 2001, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

HOUSE BILL No. 1966

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-1.1-12-9, AS AMENDED BY P.L.155-1999,
2 SECTION 1, P.L.6-1997, SECTION 46, AND P.L.155-1999,
3 SECTION 2, IS AMENDED AND IS CORRECTED TO READ AS
4 FOLLOWS [EFFECTIVE MARCH 1, 2001 (RETROACTIVE)]: Sec.
5 9. (a) An individual may obtain a deduction from the assessed value of
6 the individual's real property, or mobile home which is not assessed as
7 real property, if:
8 (1) the individual is at least sixty-five (65) years of age on or
9 before December 31 of the calendar year preceding the year in
10 which the deduction is claimed;
11 (2) ~~the combined adjusted gross income (as defined in Section 62~~
12 ~~of the Internal Revenue Code) of:~~
13 (A) the individual and the individual's spouse; or
14 (B) the individual and all other individuals with whom:
15 (i) the individual shares ownership; or
16 (ii) the individual is purchasing the property under a
17 contract;

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as joint tenants or tenants in common;
 for the calendar year preceding the year in which the deduction is
 claimed did not exceed *twenty thousand dollars (\$20,000)*
twenty-five thousand dollars (\$25,000);

~~(3)~~ **(2)** the individual has owned the real property or mobile home
 for at least one (1) year before claiming the deduction; or the
 individual has been buying the real property under a contract that
 provides that the individual is to pay the property taxes on the real
 property or mobile home for at least one (1) year before claiming
 the deduction, and the contract or a memorandum of the contract
 is recorded in the county recorder's office;

~~(4)~~ **(3)** the individual and **any all other** individuals covered by
 subdivision ~~(2)(B)~~ **with whom:**

(A) the individual shares ownership; or

**(B) the individual is purchasing the property under a
 contract;**

as joint tenants or tenants in common, reside on the real
 property or in the mobile home;

~~(5)~~ the assessed value of the real property or mobile home does
 not exceed *twenty-three thousand dollars (\$23,000)* *sixty-three*
thousand dollars (\$63,000) *sixty-nine thousand dollars*
(\$69,000); and

~~(6)~~ **(4)** the individual receives no other property tax deduction for
 the year in which the deduction is claimed, except the deductions
 provided by sections 1, 37, and 38 of this chapter.

(b) Except as provided in subsection (h), in the case of real property,
 an individual's deduction under this section equals *three thousand*
dollars (\$3,000) the lesser of:

(1) *one-half (1/2) of the assessed value of the real property; or*

(2) *two thousand dollars (\$2,000)* *six thousand dollars (\$6,000)*.

(c) Except as provided in subsection (h), in the case of a mobile
 home which is not assessed as real property, an individual's deduction
 under this section equals the lesser of:

(1) *one-half (1/2) of the assessed value of the mobile home; or*

(2) *two thousand dollars (\$2,000)* *three thousand dollars (\$3,000)*
six thousand dollars (\$6,000).

(d) An individual may not be denied the deduction provided under
 this section because the individual is absent from the real property or
 a mobile home while in a nursing home or hospital.

(e) For purposes of this section, if real property or a mobile home is
 owned by:

(1) tenants by the entirety;

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(2) joint tenants; or
 (3) tenants in common;
 only one (1) deduction may be allowed. However, the age requirement is satisfied if any one (1) of the tenants is at least sixty-five (65) years of age.

(f) A surviving spouse is entitled to the deduction provided by this section if:

(1) the surviving spouse is at least sixty (60) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;

(2) the surviving spouse's deceased husband or wife was at least sixty-five (65) years of age at the time of a death;

(3) the surviving spouse has not remarried; and

(4) the surviving spouse satisfies the requirements prescribed in subsection (a)(2) through ~~(a)(6)~~; **(a)(4)**.

(g) An individual who has sold real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property may not claim the deduction provided under this section against that real property.

(h) In the case of tenants covered by subsection ~~(a)(2)(B)~~; **(a)(3)**, if all of the tenants are not at least sixty-five (65) years of age, the deduction allowed under this section shall be reduced by an amount equal to the deduction multiplied by a fraction. The numerator of the fraction is the number of tenants who are not at least sixty-five (65) years of age, and the denominator is the total number of tenants.

SECTION 2. IC 6-1.1-12-10.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2001 (RETROACTIVE)]: Sec. 10.1. (a) Except as provided in section 17.8 of this chapter, an individual who desires to claim the deduction provided by section 9 of this chapter must file a sworn statement, on forms prescribed by the state board of tax commissioners, with the auditor of the county in which the real property or mobile home is located. With respect to real property, the statement must be filed during the twelve (12) months before May 11 of each year for which the individual wishes to obtain the deduction. With respect to a mobile home which is not assessed as real property, the statement must be filed between January 15 and March 31, inclusive of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing.

(b) The statement referred to in subsection (a) shall be in affidavit form or require verification under penalties of perjury. The statement



must be filed in duplicate if the applicant owns, or is buying under a contract, real property or a mobile home, or both, subject to assessment in more than one (1) county or in more than one (1) taxing district in the same county. The statement shall contain:

~~(1)~~ the source and exact amount of gross income received by the individual and his spouse during the preceding calendar year;

~~(2)~~ ~~(1)~~ the a description and the assessed value of the real property or mobile home;

~~(3)~~ ~~(2)~~ the individual's full name and his complete residence address;

~~(4)~~ ~~(3)~~ the record number and page where the contract or memorandum of the contract is recorded if the individual is buying the real property or mobile home on contract; and

~~(5)~~ ~~(4)~~ any additional information which the state board of tax commissioners may require.

~~(c) In order to substantiate his deduction statement, the applicant shall submit for inspection by the county auditor a copy of his and a copy of his spouse's income tax returns for the preceding calendar year. If either was not required to file an income tax return, the applicant shall subscribe to that fact in the deduction statement.~~

SECTION 3. [EFFECTIVE MARCH 1, 2001 (RETROACTIVE)]

(a) Notwithstanding IC 6-1.1-12-10.1, as amended by this act, a person who:

(1) was not eligible to claim a deduction under IC 6-1.1-12-9 before its amendment by this act; and

(2) is eligible to claim a deduction under IC 6-1.1-12-9 after its amendment by this act;

may, before September 1, 2001, file with the county auditor for 2001 property taxes that are first due and payable after December 31, 2001, the statement required by IC 6-1.1-12-10.1.

(b) This SECTION expires January 1, 2003.

SECTION 4. An emergency is declared for this act.

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